

DOCUMENT RESUME

ED 296 031

UD 026 227

TITLE Community Services Programs Amendments of 1986.
Report from the Committee on Education and Labor,
together with Supplemental and Additional Views (To
Accompany H.R. 4421). 99th Congress, 2d Session.

INSTITUTION Congress of the U.S., Washington, D.C. House
Committee on Education and Labor.

REPORT NO House-R-99-545

PUB DATE 17 Apr 86

NOTE 21p.

PUB TYPE Legal/Legislative/Regulatory Materials (090)

EDRS PRICE MF01/PC01 Plus Postage.

DESCRIPTORS *Community Programs; Day Care Centers; Educational
Improvement; Elementary Education; Federal Aid;
*Federal Legislation; *Federal Programs; *Poverty
Programs; Preschool Education; *Program Budgeting;
Program Costs; *Social Services; State Federal Aid

IDENTIFIERS Community Services Block Grant Program; Congress
99th; Follow Through Services; Nutrition Services;
Project Head Start; *Proposed Legislation

ABSTRACT

This report proposes amendments to H.R. 4421, a bill that authorizes appropriations for fiscal years 1987 to 1990 to carry out the following programs: (1) Head Start, for disadvantaged preschoolers; (2) Follow Through, for disadvantaged elementary school students; (3) State Grants for Dependent Care, for child care programs; (4) Community Services Block Grant, to mitigate some of the effects of poverty; and (5) Community Food and Nutrition Programs. A history of the various programs is provided. It is noted that the programs are effective and that no major legislative changes are proposed. Appropriations for each program are discussed. The Congressional Budget Office's cost estimate for H.R. 4421 is included. The texts of the portions of the bill to be amended, along with changes made by the bill in existing laws are also included. Supplemental views on H.R. 4421 are appended. (BJV)

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ED 296031

99TH CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPORT
99-545

COMMUNITY SERVICES PROGRAMS AMENDMENTS OF 1986

APRIL 17, 1986.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HAWKINS, from the Committee on Education and Labor,
submitted the following

REPORT

together with

SUPPLEMENTAL AND ADDITIONAL VIEWS

[To accompany H.R. 4421]

[Including cost estimate of the Congressional Budget Office]

The Committee on Education and Labor, to whom was referred the bill (H.R. 4421) to authorize appropriations for fiscal years 1987, 1988, 1989, and 1990 to carry out the Head Start, Follow Through, dependent care, community services block grant, and community food and nutrition programs, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment strikes all after the enacting clause and inserts a new text which appears in *italic type* in the reported bill.

INTRODUCTION

In reporting H.R. 4421, the committee proposes to authorize the Head Start, Follow Through, State Grants for Dependent Care, Community Services Block Grant, and Community Food and Nutrition programs for fiscal years 1987, 1988, 1989, and 1990. All of the community-based human service programs in this package are now authorized under Title VI, Chapter 8, of the Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35). All of these programs have the goal of increasing the ability of individuals and families to become self-sufficient.

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COMMITTEE ACTION

During the month of February 1986, the Subcommittee on Human Resources held reauthorization hearings on Head Start, Follow Through, and the Community Services Block Grant leading to the introduction of H.R. 4421. On February 6, 1986, the Subcommittee held a reauthorization hearing in Washington, D.C., on the CSBG program. Witnesses included Jerrold R. Speers, Acting Director, Office of Community Services, Department of Health and Human Services; Herschel Saucier, Federal Liaison, Office of Community, Intergovernmental and Public Affairs, Georgia Department of Human Resources; Cabell Brand, President and Chairman, The Stuart McGuire Company, Inc., Salem, Virginia; Caroline Lewis, Executive Director, Community and Family Services, Portland, Indiana; and Don Sykes, Executive Director, Community Development/Social Development Commission, Milwaukee, Wisconsin.

The Subcommittee on Human Resources held a field hearing on the reauthorization of Head Start in Cedar Rapids, Iowa, on February 14, 1986. Witnesses included Clennie H. Murphy, Jr., Acting Associate Commissioner, Head Start Bureau, Department of Health and Human Services; Nancy Hashman, Director, Hawkeye Area Community Action Program Head Start, Cedar Rapids, Iowa; Monica Streeper, Head Start Parent, Onslow, Iowa; Marcia Huemoeller, Head Start Director, Operation: New View, Dubuque, Iowa; Sarah M. Greene, President, National Head Start Association, East Bradenton, Florida; Sharon Ford, President, National Head Start Directors Association, Burlington, Iowa; Joanne Lane, Chair, Iowa Commission on Children, Youth and Families, Waterloo, Iowa; Karer King, Director, Polk County Child Care Resource Center, Des Moines, Iowa; and Michael Knapp, Legislative Chairman, Iowa Association for the Education of Young Children, Waterloo, Iowa.

The subcommittee held a reauthorization hearing on Follow Through in Washington, D.C., on February 20, 1986. Testifying were Eugene A. Ramp, Chairman, National Follow Through Association, University of Kansas, Lawrence, Kansas; W. Ray Rhine, University of Missouri, St. Louis, Missouri; Richard H. Feldman, Bank Street College of Education, New York, New York; Edward J. Hansberry, Coordinator of Compensatory Programs, Flint Community Schools, Flint, Michigan; and Mrs. Dorothy Rice, Director, Follow Through Program, Washington, D.C., accompanied by Mrs. Helen Suber and Clinton Gatlin, Follow Through Parent and Student, and Mrs. Lauretta Brown and Xavier Brown, Follow Through Parent and Student.

In addition, the Subcommittee on Human Resources held another reauthorization hearing in Washington, D.C., on February 24, 1986, with witnesses presenting testimony on several programs including Head Start, Administration for Native Americans, Follow Through, CSBG, and the Low Income Home Energy Assistance Program. Testifying were Dorcas Hardy, Assistant Secretary for Human Development Services, Department of Health and Human Services, accompanied by Dodie Livingston, Commissioner, Administration for Children, Youth and Families, William Lynn Engles,

Commissioner, Administration for Native Americans, and Clennie H. Murphy, Jr., Acting Associate Commissioner, Head Start Bureau; Lawrence J. Davenport, Assistant Secretary for Elementary and Secondary Education, Department of Education, accompanied by Sally H. Christensen, Director, Budget Service, Office of Planning, Budget and Evaluation, and Mary Jean LeTendre, Director, Compensatory Education Programs; and J. William Gadsby, Associate Director, Human Resources Division, General Accounting Office.

H.R. 4421 was introduced by Mr. Kildee, Chairman of the Subcommittee on Human Resources, on March 17, 1986. Original cosponsors included Mr. Tauke, Mr. Hawkins, Mr. Jeffords, Mr. Perkins, and Mr. Owers. The bill was approved by the subcommittee on March 20, 1986, with two technical amendments to Section 2, Head Start Programs. H.R. 4421 was reported out of full committee on April 10, 1986, by voice vote. The bill has 70 co-sponsors. In compliance with clause 2(1)(2)(B) of rule XI of the Rules of the House of Representatives, the committee states that on April 10, 1986, a quorum being present, the committee favorably ordered reported H.R. 4421 by voice vote.

BACKGROUND AND NEED FOR LEGISLATION

For 21 years, Head Start has been providing comprehensive services to address the educational, social, nutrition, and health needs of preschool-aged children from low income families. It is a particularly good example of a cost-effective investment for society. Results of longitudinal studies such as the High/Scope Educational Research Foundation's Perry Preschool Project indicate that substantially fewer graduates of quality preschool programs were placed in remedial or special education classes, dropped out of school, became involved in crime, or received welfare. At the present time, Head Start is serving 452,000 children—only 17 percent of those who are eligible.

Follow Through focuses on the continuing development of disadvantaged children who participated in Head Start or similar preschool programs when those children enter kindergarten and the primary grades. About 13,500 children are directly served by Follow Through each year, but thousands of others benefit indirectly as their local school districts replicate successful models developed by Follow Through. Hundreds of local education agencies use Follow Through techniques in this manner.

The dependent care programs provide 75 percent matching grants to states for child care services before and after school in public or private school facilities or in community centers when school facilities are not available, and also for local resource and referral systems providing information on child care services. Sixty percent of the funds are to be used for school-age ("latchkey") children's services and 40 percent are to be used for the information and referral systems. Funds for this program were first appropriated in FY 1986.

The Community Services Block Grant program (CSBG) is the only federal program with the specific objective of poverty prevention and alleviation as its primary focus. Created in 1981 by the

Omnibus Budget Reconciliation Act, CSBG has been successful in sponsoring state and local initiatives aimed at promoting economic self-sufficiency. It provides block grants to states for services and activities and also provides a discretionary fund to support programs which address the needs of low-income persons with regard to rural housing, national youth sports, community economic development, migrant and seasonal farmworker assistance, and most recently, community food and nutrition programs.

Head Start, Follow Through, and community services programs were all established under the Economic Opportunity Act to help address the needs of low-income children and families. These programs share a common history, as essential maneuvers in the war on poverty. These programs share a common orientation, working within the local community to address the needs of individuals. They share a common goal, that of helping people to move from situations of dependency to situations of self-sufficiency. All of the programs included in H.R. 4421 are now authorized under Title VI, Chapter 8 of the Omnibus Budget Reconciliation Act of 1981. When it was enacted in 1984, the dependent care grants program was added, like Head Start and Follow Through, as a new subchapter under the "Community Services Programs" heading.

In the early 1960's, national statistics showed that one in five Americans lived in poverty. In response to this, President Johnson on March 16, 1964, proposed the Economic Opportunity Act of 1964. Both the House bill, H.R. 10440, and the Senate bill, S. 2642, proposed a separate Federal agency to develop and administer innovative and effective programs to combat the causes of poverty. On August 20, 1964, the Economic Opportunity Act of 1964 was passed into law. The Act established an Office of Economic Opportunity (OEO) in the Executive Office of the President to administer various anti-poverty programs, including the Job Corps, work-training and work-study programs, community action programs, a rural loan program, migrant workers program, a small business loan program, Head Start, Foster Grandparents, and Volunteers in Service to America (VISTA).

The Act stated that the purpose of all of these programs was "to eliminate the paradox of poverty in the midst of plenty . . . by opening to everyone the opportunity for education and training, the opportunity to work, and the opportunity to live in decency and dignity." A total of \$947.5 million was authorized for these programs in fiscal year 1965.

In 1965 and 1966, President Johnson urged an expansion of the war on poverty. On September 29, 1966, H.R. 15111 was passed by the House and Senate and the Economic Opportunity Amendments of 1966 were signed into law. In 1967, the Congress undertook a thorough re-evaluation of the federal antipoverty effort. The Economic Opportunity Act of 1965 produced major changes. Youth and adult training programs were consolidated into one comprehensive work training program. Special impact programs were established, the scope and purposes of community action agencies were redefined, and four new special programs (Follow Through, Emergency Food and Medical Services, Upward Bound, and Senior Opportunities and Services) were enacted.

In 1969, relatively few changes were made. In 1971, Congress again amended the Economic Opportunity Act. President Nixon had several objections and vetoed the bill. These differences were worked out and on September 19, 1972, the President approved the bill and the Economic Opportunity Act Amendments of 1972 were enacted into law.

In 1974, the Congress passed major amendments to the Act. On January 4, 1975, President Ford signed the Head Start, Economic Opportunity and Community Partnership Act of 1974. Under the compromise reached by the House and Senate, OEO became the Community Services Administration (CSA), a newly created independent federal agency to succeed OEO. Essentially, the CSA was to continue the ongoing operation of OEO, subject to various changes created by the new legislation.

The 1974 amendments also required that the agency be headed by a separate director appointed by the President with Senate confirmation. The Director was to be responsible for all policy-making functions including the final approval of grants or contracts. Additionally, these amendments provided for a three-year extension for the operation of all programs through fiscal year 1978. The 1974 Act continued programs such as Head Start, Follow Through, and Community Economic Development.

The 1974 amendments also directed that Head Start funds be allocated to states in equal proportion on the basis of each state's relative number of children living in families with income below the poverty line and the relative number of public assistance recipients in each state. The law also required that no state was to receive less funds in fiscal years 1976, 1977, and 1978 than it received in fiscal year 1975. It also transferred Head Start to the Department of Health, Education and Welfare.

On November 2, 1978, the Economic Opportunity Act Amendments of 1978, P.L. 95-568, were signed into law. As enacted, the 1978 amendments extended the Economic Opportunity Act for three years, set the non-federal share for community action agencies at 20 percent, authorized a new categorical demonstration program and made a number of other minor changes in the law.

On May 19, 1981, the House Education and Labor Committee reported H.R. 3045, the Economic Opportunity Act Amendments of 1981 (House Report 97-69). H.R. 3045, after incorporation into one version of a reconciliation bill which was defeated, was replaced by a version in the Omnibus Reconciliation Act of 1981 (P.L. 97-35), passed on August 13, 1981. In the Reconciliation Act, Head Start and Follow Through were continued for three additional years. However, the Follow Through Act was to be repealed on October 1, 1984.

Under the Reconciliation Act, CSA was abolished and replaced by the Community Services Block Grant (CSBG). This was a compromise measure in response to the Reagan Administration's proposed elimination of CSA and transfer of its functions into a social services block grant which contained no mention of the word "poverty". Many CSA activities were continued through the CSBG, which was authorized through FY 1986.

The Human Services Reauthorization Act (P.L. 98-558), enacted October 30, 1984, extended the authorizations for Head Start,

Follow Through, and CSBG, as well as several other human services programs, through FY 1986. P.L. 98-558 also established the state grants for dependent care planning and development program and authorized \$20 million for this program for each of FY 1985 and 1986. Community Food and Nutrition, a program operated by CSA prior to the creation of the CSBG, also was re-established as a distinct discretionary grant program and authorized at \$2.5 million for each of FY 1985 and 1986.

The 1984 Amendments made several programmatic changes in Head Start and CSBG. For Head Start, the Amendments specified that discretionary funds were not to be combined with funds under other Acts for single discretionary payments unless such funds are separately identified and used for purposes related to Head Start. P.L. 98-558 also prohibited changes in the methods for determining eligibility for low-income participants if such changes would reduce or exclude participation of persons in the programs, and specified that priority in designating Head Start agencies for initial or additional appropriations must be given to existing programs unless it is found that such grantees fail to meet specified standards. The Amendments required the provision of training and technical assistance, including specified components, and further mandated that such funds are not to be less than the amount expended in FY 1982 unless appropriations fall below the FY 1984 level. Finally, P.L. 98-558 added language making it explicit that local Head Start programs may provide more than one year of services to children from age three to the age of compulsory school attendance in their states.

For the CSBG program, the 1984 Amendments made permanent previous temporary provisions requiring states that administer the CSBG funds to use at least 90 percent of their allotments to fund "eligible agencies" (called the "pass-through" requirement), and expanded the definition of eligible agencies to include prior CSA grantees as well as Community Action Agencies (CAAs). P.L. 98-558 specified procedures for designating a new agency to provide services in cases where no existing eligible entity exists or where such agencies do not choose to provide services. It limited the amount of funding available to organizations which were not eligible entities during the previous fiscal year to 7 percent of the "pass-through" funds. The Amendments allowed states to increase the eligibility criteria for participation in the CSBG program to 125 percent of the federal poverty level; expanded the discretionary program by adding training and technical assistance to states to help them carry out their responsibilities under this program; allowed grants, loans, and guarantees to be made to private non-profit organizations applying jointly with business concerns; and established provisions for reviewing funding denials. As noted earlier, the 1984 Amendments established the Community Food and Nutrition discretionary grant program for public and private non-profit agencies. Finally, the Amendments mandated the Secretary to conduct in several states each fiscal year evaluations of the uses made of funds received under the CSBG program and to report the results annually to Congress.

The FY 1986 Head Start appropriations language (P.L. 99-178) limited FY 1986 funding for Indian and migrant Head Start pro-

grams to \$76.3 million, the same amount provided in FY 1985. The Head Start Act, as amended, mandates cost of living adjustments for the Indian and migrant programs each fiscal year to reflect, at a minimum, changes in the Consumer Price Index.

EXPLANATION OF THE BILL

H.R. 4421 would reauthorize the Head Start, Follow Through, State Grants for Dependent Care, Community Service Block Grant, and Community Food and Nutrition programs for four additional years. The Committee is pleased to note the effectiveness of these programs and proposes no major legislative changes. H.R. 4421 includes primarily technical and clarifying changes in the law.

SECTION 1—SHORT TITLE

H.R. 4421 is given the name, "The Community Services Programs Amendments of 1986."

SECTION 2—HEAD START PROGRAMS

Authorization of Appropriations.—H.R. 4421 would reauthorize the Head Start program for fiscal years 1987, 1988, 1989, and 1990, at such sums as may be necessary.

Allotment of Funds.—Given the current budget uncertainties, the Committee bill replaces the automatic cost-of-living adjustment for Indian and migrant programs with a minimum funding level for these programs. This minimum funding level is \$76,349,000, the amount obligated for use in FY 1985. The Committee is concerned that Indian and migrant Head Start programs receive at least a minimum level of protection. These programs have unique needs because of the special populations they serve. Many operate in traditionally underserved areas, and they are often the only such services available in their communities.

With regard to the distribution of funds, the Committee is disturbed by reports from Head Start grantees that their initial grants are not being awarded and received on a timely basis. In some cases, grantees have failed to receive funding awards for as long as a month or six weeks after the beginning of their federal funding cycle.

Such delays can result in a reduction in program staff, an interruption of or reduction in vital education, health and social services, and in certain instances, in additional and unnecessary costs being incurred by Head Start grantees.

The Committee believes that the Department of Health and Human Services should be cognizant of the adverse effects which unnecessary delays in funding have on local Head Start operations. We believe that the Department can and should complete its Head Start grant review process in such a manner as to ensure that prompt awards to successful grantees are made as soon as possible after final action on Head Start appropriations measures has been completed.

Participation in Head Start Programs.—The Committee bill continues through FY 1990 the current method of calculating income for the purposes of determining eligibility for participation in Head

Start programs. Should changes be advocated during the period of the reauthorization, this provision reserves to the Congress the sole authority for taking action.

The Committee recognizes that Head Start currently is serving only about 17 percent of its eligible population and strongly supports the expansion of the program to serve more children. However, the Committee is deeply disturbed by the endeavors of the Department of Health and Human Services (HHS) to increase enrollment by restricting local Head Start programs' options to provide more than one year of services to children.

It is critical that low income, at-risk preschoolers get enough help in developing the skills and self-confidence they need to enter school on an even footing with other children. The option of multi-year service is extremely important, particularly in the cases of the most vulnerable children. It would indeed be unfortunate if those children whose special needs require more than one year of participation were categorically precluded from receiving the additional benefits they need in order to succeed in school. One of the greatest strengths of the Head Start program is its flexibility in responding to the needs of individual families and communities. The question of whether a child may receive Head Start services for more than one year should be decided at the local program level.

The Department of Health and Human Services is in the process of developing regulations which would define the circumstances under which programs may serve children for more than one year. However, the Department already has sent memoranda to its regional offices setting specific targets for reducing the percentage of children receiving multi-year services. The Human Services Amendments of 1984 specifically provide that local programs may serve children from age 3 to the age of compulsory school attendance in their state. The Committee is particularly concerned over reports that restricting service to one year is being put forth as a condition of funding. Such an inflexible policy would contradict the intent of the Committee and the Congress. The Committee will be closely monitoring the development of regulations in this area and hopes that further amendments to the law will not be necessary to ensure congressional intent is carried out.

Training and Technical Assistance.—The Committee notes that H.R. 4421 makes no changes in provisions included in the 1984 reauthorization which require a minimum level of funding for Head Start training and technical assistance activities including the Child Development Associate program. The requirement for at least a minimum investment in training is essential to ensuring the efficacy of services. With a staff turnover rate of nearly 42 percent and a steady influx of new parent volunteers, Head Start must continually provide skills to new caregivers. Training is a measure of both the skills and the commitment of staff, and with the recent concerns about child abuse in child care settings, it is important to note that there has never been a documented case of child abuse in the Head Start program. The Committee continues to strongly support adequate funding for training activities as a commitment to the overall quality of Head Start.

Unemployment Compensation.—The Committee is concerned about the Administration's proposal to redefine Head Start grant-

ees as educational institutions within the meaning of the Federal Unemployment Tax Act, thus making Head Start employees ineligible for unemployment compensation benefits between terms, such as during summer breaks.

The Committee is concerned about the generally low wages that Head Start staff receive, and the negative impacts which inadequate wages can have both on the individual circumstances of Head Start employees and also on the quality of the whole program. The Committee believes it is important to examine thoroughly the larger issue of ensuring adequate salaries for Head Start staff before considering a proposal to further limit their income.

SECTION 3—FOLLOW THROUGH PROGRAMS

Authorization of Appropriations.—The Committee bill would authorize Follow Through for fiscal years 1987, 1988, 1989, and 1990, at such sums as may be necessary. Testimony before the Committee demonstrated conclusively that Follow Through assists children in continuing to meet achievement goals in the early elementary grades. Given that federal funding for education already has dropped 31 percent in real dollars since 1980, it is imperative that this effective program be maintained.

SECTION 4—STATE GRANTS FOR DEPENDENT CARE PROGRAMS

Authorization of Appropriations.—H.R. 4421 would name this subchapter "The Dependent Care Programs Act," and authorizes such sums as may be necessary for fiscal years 1987, 1988, 1989, and 1990. There is no doubt about the need for child care in communities across the country. In 1984, 56 percent of all children had mothers in the workforce.

This program could provide a vital incentive to encourage states and local governments to include child care issues—and solutions—on their agenda. Using modest grants as "seed money" provides an initiative for garnering the support of community organizations and employers. It encourages local partnership solutions to the child care needs of working families. Because child care allows parents to work, it helps families to become more self-sufficient. For example, an Ohio study found that the \$2,000 a year which the state spends, on average, for full-time child care to enable a parent to be self-sufficient saves \$6,000 a year in public assistance to meet the minimal survival needs of a mother and child.

SECTION 5—COMMUNITY SERVICES BLOCK GRANT PROGRAM

Community Services Grants Authorized.—H.R. 4421 would authorize \$390 million for fiscal year 1987, and such sums as necessary for fiscal years 1988, 1989, and 1990. One of the principal reasons for GSBG's success in assisting the low-income to realize their full potential is the unique ability of Community Action Agencies (CAAs) to apply comprehensive solutions to the problems of poverty. The Committee was extremely impressed by the testimony it received showing that during 1984-1985, community action programs in one state alone resulted in an estimated savings in public ex-

penditures by federal, state, and local programs of almost \$35 million.

The Committee was also impressed by General Accounting Office (GAO) testimony that no cases of duplication between activities funded under CSBG and those operated with Social Services Block Grant funds were found in a recent review they conducted. GAO further stated that CAAs and local Social Services agencies are usually aware of each other's activities and try to prevent duplication.

Applications and Requirements.—Recent reports from a number of sources highlight the problems of the homeless, pregnant youth, and children and the elderly living in poverty. Because of the special vulnerability of these populations, H.R. 4421 directs the Secretary to include in compliance evaluations identification of the impact that the uses made of CSBG funds have in these areas.

Discretionary Authority of the Secretary.—The bill contains several technical changes in programs operated under the Secretary's Discretionary authority which are intended to define more precisely eligible entities for assistance and activities to be carried out with these funds. The Committee concurs with recommendations of the Appropriations Committee that the Community Economic Development discretionary program be carried out in accordance with the Community Economic Development Act authorized by Chapter 8, subchapter A of the Omnibus Reconciliation Act of 1981. Therefore, H.R. 4421 specifically references Section 616 and Section 617(a) paragraphs (1) through (4) of that Act to provide better direction and clarity regarding the goals and structure of this discretionary program. The bill also directs that when considering awards under the discretionary program for technical assistance and training programs in rural housing and community facilities development, special consideration be given nonprofit agencies with experience in carrying out such programs.

SECTION 6—EFFECTIVE DATE

H.R. 4421 and the amendments made by it would take effect on October 1, 1986.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

In compliance with clause 2(l)(3) (B) and (C) of Rule XI of the Rules of the House of Representatives, the estimate prepared by the Congressional Budget Office pursuant to section 403 of the Congressional Budget Act of 1974, submitted prior to the filing of this report, is set forth as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 16, 1986.

Hon. AUGUSTUS F. HAWKINS,
Chairman, Committee on Education and Labor, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for H.R. 4421, the Community

Services Programs Amendments of 1986, as ordered reported by the House Committee on Education and Labor on April 10, 1986.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,
Sincerely,

RUDOLPH G. PENNER, *Director.*

CONGRESSIONAL BUDGET OFFICE--COST ESTIMATE

1. Bill number: H.R. 4421.
2. Bill title: Community Services Programs Amendments of 1986.
3. Bill status: As ordered reported by the House Committee on Education and Labor on April 10, 1986.
4. Bill purpose: The purpose of this bill is to amend and extend the authorizations for Head Start, Follow Through, Dependent Care, Community Services Block Grants, and Community Food and Nutrition. This bill is subject to subsequent appropriations action.
5. Estimated cost to the Federal Government:

(By fiscal year, in millions of dollars)

	1987	1988	1989	1990	1991
Head Start:					
Estimated authorization level	1,289	1,358	1,430	1,507	
Estimated outlays	593	1,237	1,387	1,461	809
Follow Through:					
Estimated authorization level	8	8	9	10	
Estimated outlays	1	6	8	9	9
Dependent Care:					
Estimated authorization level	21	22	23	25	
Estimated outlays	14	21	23	24	8
Community Services Block Grants:					
Estimated authorization level	390	412	433	457	
Estimated outlays	266	396	426	449	144
Community Food and Nutrition:					
Estimated authorization level	3	3	3	3	
Estimated outlays	2	3	3	3	1
Bill total:					
Estimated authorization level	1,711	1,803	1,896	2,002	
Estimated outlays	876	1,663	1,847	1,946	971

The costs of this bill fall within function 500.

Basis of estimate.—This bill authorizes payments to public and private nonprofit agencies for the Head Start, Follow Through, and Community Food and Nutrition programs, and allotments to states for Dependent Care and Community Services programs. All programs except the Community Services Block Grants are authorized for 1987 through 1991 at such sums as may be necessary. For these programs, the stated 1986 authorization level, adjusted for inflation, was used to estimate authorization levels.

The 1987 authorization level for the Community Services Block Grants is stated in the bill. The outyear estimates reflect this level adjusted for inflation.

Outlay estimates were made assuming full appropriation of estimated authorization levels. Outlays for programs now funded re-

flect the current spending pattern. Outlays for Dependent Care, presently unfunded, reflect the spending pattern of the Community Services Block Grants, a program also involving allotments to states.

6. Estimated cost to State and local government: The programs authorized in this bill involve grants to state and local governments and public and private nonprofit agencies. With the exception of Dependent Care programs, no match of federal funds is required. The federal share for Dependent Care projects is limited to 75 percent. However, this federal contribution is intended as a supplement to current state expenditures.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Ken Pott (226-2820).

10. Estimate approved by: James L. Blum, Assistant Director for Budget Analysis.

COMMITTEE ESTIMATE

With reference to the statement required by clause 7(a)(1), of Rule XIII of the Rules of the House of Representatives, the Committee adopts the estimate prepared by the Congressional Budget Office.

INFLATIONARY IMPACT STATEMENT

In compliance with clause 2(l)(4) of rule XI of the Rules of the House of Representatives, the committee estimates that the enactment into law of H.R. 4421 will have little inflationary impact on prices and costs in the operation of the national economy. It is the judgment of the committee that the inflationary impact of this legislation as a component of the Federal budget is negligible.

COMMITTEE FINDINGS

In compliance with clause 2(l)(3)(A) of rule XI of the Rules of the House of Representatives, this report embodies the findings and recommendations of the Subcommittee on Human Resources, established pursuant to clause 2(b)(1) of rule X of the House of Representatives and rule 18(a) of the Rules of the Committee on Education and Labor. Pursuant to its responsibilities, the committee has determined that legislation should be enacted as set forth in H.R. 4421.

OVERSIGHT FINDINGS AND RECOMMENDATIONS OF THE COMMITTEE ON GOVERNMENT OPERATIONS

In compliance with clause 2(l)(3)(D) of Rules XI of the Rules of the House of Representatives, the committee states that no findings or recommendations of the Committee on Government Operations were submitted to the committee.

SECTION-BY-SECTION ANALYSIS

Section 1—Short Title

Section 1 names the bill the "Community Services Programs Amendments of 1986."

Section 2—Head Start Programs

Section 2(a) reauthorizes Head Start for fiscal years 1987, 1988, 1989, and 1990 at "such sums."

Section 2(b) amends Section 640(a)(2)(A) of the Head Start Act to provide that no less funds can be provided for Indian and Migrant Head Start programs for fiscal year 1987 and each subsequent fiscal year than were obligated for use for fiscal 1985.

Section 2(c) continues the current method of counting income for purposes of determining eligibility for Head Start through fiscal year 1990.

Section 3—Following Through Programs

Section 3 amends Section 663(a)(1) of the Following Through Act providing such sums as may be necessary for each of the fiscal years 1987, 1988, 1989, and 1990.

Section 4—Dependent Care Programs

Section 4 amends Section 670A of the Omnibus Reconciliation Act to title the subchapter as the "Dependent Care Programs Act" and authorizes such sums as may be necessary for fiscal years 1987, 1988, 1989, and 1990.

Section 5—Community Services Block Grant Program

Section 5(a) amends Section 672(b) of the Community Services Block Grant Act to authorize \$390 million for fiscal year 1987 and such sums as may be necessary for fiscal years 1988, 1989, and 1990.

Section 5(b) amends section 675(i)(1) of the Community Services Block Grant Act to require that the compliance evaluations conducted by the Secretary include identifying the impact that the uses of these funds have on children, homeless families, pregnant youth, and the elderly poor.

Section 5(c) amends Section 681(a)(2) and Section 681(a)(2)(D) of the Community Services Block Grant Act to define more precisely eligible entities for assistance and eligible activities under this program.

Section 5(d) amends Section 681A(b) of the Community Services Block Grant Act to authorize such sums as may be necessary for the Community Food and Nutrition Program for fiscal years 1987, 1988, 1989, and 1990.

Section 6—Effective Date

Section 6 provides that this Act and the amendments made by it shall take effect on October 1, 1986.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

HEAD START ACT

* * * * *

AUTHORIZATION OF APPROPRIATIONS

SEC. 639. There are authorized to be appropriated for carrying out the provisions of this subchapter *[\$1,093,030,000 for fiscal year 1985, and] \$1,221,000,000 for fiscal year 1986 and such sums as may be necessary for each of the fiscal years 1987, 1988, 1989, and 1990.*

ALLOTMENT OF FUNDS; LIMITATIONS ON ASSISTANCE

SEC. 640. (a)(1) Of the sums appropriated pursuant to section 639 for any fiscal year beginning after September 30, 1981, the Secretary shall allot such sums in accordance with paragraphs (2) and (3).

(2) The Secretary shall reserve 13 percent of the amount appropriated for each fiscal year for use in accordance with the following order of priorities—

[(A) Indian and migrant Head Start programs and services for handicapped children, except that—

[(i) there shall be made available for use by Indian and migrant Head Start programs, on a nationwide basis, no less funds for fiscal year 1982 and each subsequent fiscal year than were obligated for use by Indian and migrant Head Start programs for fiscal year 1981; and

[(ii) cost-of-living adjustments shall be made with respect to such Indian and migrant Head Start programs for fiscal year 1982 and each subsequent fiscal year, and such adjustments shall, at the minimum, reflect changes in the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor;]

(A) Indian and migrant Head Start programs and services for handicapped children, except that there shall be made available for use by Indian and migrant Head Start programs, on a nationwide basis, no less funds for fiscal year 1987 and each subsequent fiscal year than were obligated for use by Indian and migrant Head Start programs for fiscal year 1985;

* * * * *

PARTICIPATION IN HEAD START PROGRAMS

SEC. 645. (a)(1) * * *

(2) Whenever a Head Start program is operated in a community with a population of 1,000 or less individuals and—

(A) there is not other preschool program in the community;

(B) the community is located in a medically underserved area, as designated by the Secretary pursuant to section 330(b)(3) of the Public Health Service Act and is located in a health manpower shortage area, as designated by the Secretary pursuant to section 332(a)(1) of such Act;

(C) the community is in a location which, by reason of remoteness, does not permit reasonable access to the types of services described in clauses (A) and (B); and

(D) not less than 50 percent of the families to be served in the community are eligible under the eligibility criteria established by the Secretary under paragraph (1);

the Head Start program in each such locality shall establish the criteria for eligibility, except that no child residing in such community whose family is eligible under such eligibility criteria shall, by virtue of such project's eligibility criteria, be denied an opportunity to participate in such program. During the period beginning on the date of the enactment of the Human Services Reauthorization Act and ending on October 1, [1986,] 1990, and unless specifically authorized in any statute of the United States enacted after such date of enactment, the Secretary may not make any change in the method, as in effect on April 25, 1984, of calculating income used to prescribe eligibility for the participation of persons in the Head Start programs assisted under this subchapter if such change would result in any reduction in, or exclusion from, participation of persons in any of such programs.

* * * * *

SECTION 663 OF THE FOLLOW THROUGH ACT

AUTHORIZATION OF APPROPRIATIONS

SEC. 663. (a)(1) There is authorized to be appropriated for carrying out the purposes of this subchapter [\$10,000,000 for the fiscal year 1985 and] \$7,500,000 for the fiscal year 1986 *and such sums as may be necessary for each of the fiscal years 1987, 1988, 1989, and 1990.*

* * * * *

SECTION 670A OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1981

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 670A. For the purpose of allotments to States to carry out the activities described in section 670D, there are authorized to be appropriated \$20,000,000 for each of the fiscal years 1985 and 1987.]

SHORT TITLE; AUTHORIZATION OF APPROPRIATIONS

SEC. 670A. (a) *This subchapter may be cited as the "Dependent Care Programs Act".*

(b) *For the purpose of making allotments to States to carry out the activities described in section 670D, there are authorized to be appropriated \$20,000,000 for each of the fiscal years 1985 and 1986, and such sums as may be necessary for each of fiscal years 1987, 1988, 1989, and 1990.*

COMMUNITY SERVICES BLOCK GRANT ACT

* * * * *

COMMUNITY SERVICES GRANTS AUTHORIZED

SEC. 672. (a) The Secretary is authorized to make grants in accordance with the provisions of this subtitle, to States to ameliorate the causes of poverty in communities within the State.

(b) There is authorized to be appropriated \$389,375,000 for the fiscal year 1982 and for each of the 4 succeeding fiscal years to carry out the provisions of this subtitle. There is authorized to be appropriated [\$400,000,000 for fiscal year 1985, and] \$415,000,000 for the fiscal year 1986, \$390,000,000 for the fiscal year 1987, and such sums as may be necessary for each of the fiscal years 1988, 1989, and 1990,

* * * * *

APPLICATIONS AND REQUIREMENTS

SEC. 675. (a) * * *

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(i)(1) For purposes of determining compliance with this subchapter the Secretary shall conduct, the several States in each fiscal year, evaluations of the uses made of funds received under this subchapter by such States. *Such evaluations shall include identifying the impact that the uses made of such funds have on children, pregnant youth, homeless families, and the elderly poor.*

* * * * *

DISCRETIONARY AUTHORITY OF SECRETARY

SEC. 681. (a) The Secretary is authorized, either directly or through grants, loans, or guarantees to States and public agencies and private nonprofit organizations, or contracts or jointly financed cooperative arrangements with States and public agencies and private nonprofit organizations, to provide for—

(1) training related to the purposes of this subtitle;

(2) ongoing activities of national or regional significance related to the purposes [of this subtitle,] *specified in section 616 of the Community Economic Development Act of 1981, including special emphasis programs for—*

[(A) special programs of assistance to private, locally initiated community development programs which sponsor enterprises providing employment and business development opportunities for low-income residents of the area;]

(A) *programs of the types specified in paragraphs (1) through (4) of section 617(a) of the Community Economic Development Act of 1981;*

(B) Rural Development Loan Fund revolving loans and guarantees under subchapter A of chapter 8 of subtitle A of this title;

(C) community development credit union programs administered under subchapter A of chapter 8 of subtitle A of this title;

(D) technical assistance and training programs in rural housing and community facilities development *(in selecting entities to carry out such programs, the Secretary shall give priority to private nonprofit organizations that before the date of the enactment of the Community Services Programs Amendments of 1986 carried out such programs under this subparagraph;*

* * * * *

COMMUNITY FOOD AND NUTRITION

SEC. 618A. (a) * * *

(b) There is authorized to be appropriated \$2,500,000 for each of the fiscal years 1985 and 1986 to carry out the provisions of this section, *and such sums as may be necessary for each of the fiscal years 1987, 1988, 1989, and 1990.*

* * * * *

SUPPLEMENTAL VIEWS ON H.R. 4421

In general, we support the programs authorized by H.R. 4421 and therefore passage of this bill. In particular, Head Start and the Community Services Block Grant (CSBG) are valuable programs with proven track records of accomplishment.

The bill reauthorizes most programs at unspecified "such sums" levels, which will provide maximum flexibility in an uncertain budget environment. We commend the Committee for recognizing the severe budget restraints under which we must operate and agreeing to reduce the authorization level for CSBG from the current \$415 million level to \$390 million for fiscal year 1987. We are also pleased that the Committee resisted the temptation to initiate new programs in this bill.

At the same time, we believe it is the responsibility of the authorizing committee to set program priorities at a time when we are faced with severe deficit problems. We have an obligation to confront the deficit crisis and make the difficult decisions that will enable us to meet deficit targets. We are concerned that authorizations for Follow Through and dependent care grants have been included in this bill.

Follow Through was created in 1968 as a demonstration program to establish models for compensatory education in the early grades to build on gains made in Head Start. The program has largely achieved its purposes. Several reliable and replicable models have been, and continue to be, disseminated nationwide. Moreover, the same school districts are funded under Follow Through year after year, limiting its benefits. It is unnecessary and inappropriate to continue to fund the same 58 school districts and handful of university research centers to the exclusion of all others.

We do not believe that continuation of Follow Through can be justified and recommend that the program be discontinued as a separate, categorical program, as outlined under the terms of the Omnibus Budget Reconciliation Act of 1981. This Act provided that Follow Through be phased into Chapter 2 of the Education Consolidation and Improvement Act beginning in fiscal year 1985.

Similarly, we cannot justify reauthorization of the dependent care grant program. This program was first authorized in fiscal year 1985 for \$20 million and received its first appropriation of \$5 million in fiscal year 1986. These funds have been proposed for rescission, thus no money has been obligated for this program to date.

The dependent care program authorizes grants to States to (1) develop resource and referral systems to provide information on available dependent care services; and (2) to develop programs to furnish school-age child care services. The limitations in the law necessitate that a large portion of funds allocated to States will be used for administrative purposes. Moreover, the program does not target benefits in any way to reach the population most at-risk. Reauthorizing this program also ignores the fact that many State and local governments, as well as the private sector, are initiating child care efforts already without this federal involvement.

While there is undoubtedly a need for additional child care services, we believe it is inappropriate to reauthorize this program at

this time. It is unfocused and will have virtually no impact on those families most in need of assistance.

We therefore recommend that we begin to set priorities with this bill by deleting the authorizations for Follow Through and dependent care grants from the bill.

THOMAS E. PETRI.
STEVE GUNDERSON.
THOMAS J. TAUKE.
STEVE BARTLETT.
HARRIS W. FAWELL.

ADDITIONAL SUPPLEMENTAL VIEWS OF CONGRESSMAN
HARRIS W. FAWELL ON H.R. 4421

I support the supplemental views presented by the Minority with regard to the Head Start, Follow Through, and Dependent Care programs. I am not convinced, however, of the proven track record of the Community Services Block Grant (CSBG) program. For this reason, I would have preferred that the committee report a bill which reauthorizes CSBG next year at the 1986 appropriations level of \$368 million.

HARRIS W. FAWELL.

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